

EXHIBIT B4
DATE Feb 13, 09
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February 10, 2009

Rep. Dave Kasten
Chairman
Long-Range Planning Committee

RE: HB11 – TSEP Application; Project #65 – Bridger Pines County Sewer and Water District

Dear Representative Kasten,

I appeared before your Committee on January 16, 2009 and testified in opposition to the funding of a TSEP grant request by Bridger Pines County Sewer and Water District (project # 65), not particularly well unfortunately.

I have attached a letter sent to Mr. Edgecomb that more clearly expresses the rational for the opposition to granting State and or Federal funds for this applicant.

It is my hope that public funds be used for improvement or to remedy deficiencies *not* necessitated by private property owners failure to act responsibly or to subsidize required infrastructure of new private development that benefits the developer(s).

Respectfully,

Deborah J Stratford
16628 Bridger Canyon Rd
Bozeman, MT 59715
(406) 522-7215

Resident – Bridger Canyon Zoning District, Gallatin County
Member – Bridger Canyon Property Owner's Association

cc: Sen. Greg Barkus, Vice- Chairman Long-Range Planning Committee

May 2, 2008

Attn: Jim Edgecomb
Department of Commerce
TSEP
PO Box 200523
Helena MT 59620

Dear Sirs:

We are writing to comment on the TSEP grant application submitted by Bridger Pines County Water and Sewer District.

As residents of the Bridger Creek watershed, we have a compelling interest in improvements to the wastewater treatment system at Bridger Pines. The current system constitutes a hazard to the community and the environment.

However, we are concerned that proposed solutions may have technical flaws, as documented below. It is not clear that the governance and oversight of the district is adequate to mitigate these concerns going forward. Further, as citizens, we question the appropriateness of the allocation of public funds to what is, for all practical purposes, a private development. Doing so in effect rewards a very small number of property owners for their past failure to act to solve a critical problem.

We should note that our conclusions are based on the accessible information and research practical within the brief time we have had to review the application and should be regarded as preliminary. We thank the review board for considering these concerns in its assessment of the application.

Sincerely,

Deb Stratford
16628 Bridger Canyon Road
Bozeman MT 59715
522 7215

Tom Fiddaman
1070 Bridger Woods Road
Bozeman MT 59715
582 4911

Kate Vargas
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Candace Hamlin
4713 Meadow Lane
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Background

The wastewater treatment system at Bridger Pines was installed in the mid-seventies. Shortly thereafter, the Montana DEQ determined it to be substandard and a potential health and safety hazard to the community and declared a moratorium on further building until the faulty system was repaired. Clearly the hazard to the community was recognized at that time, but not until we reviewed the Preliminary Engineers Report (PER) within the last ten days did we understand the extent of the hazard. According to the PER, the existing system was intended as a temporary treatment solution to be replaced within five years.

The now thirty-year old *temporary* treatment solution compromised by poor construction and plagued by inadequate maintenance has become an even greater hazard due to unauthorized (conducted without necessary permits) sludge removal. System leakage is currently at eight times the allowable standard. In addition, overflows of raw sewage are common during the spring run-off, with overflows promising to be even more dramatic this year given the heavy snowfall. Without question, the Bridger Pines wastewater system needs urgent attention and quick resolution.

Technical Issues

We have multiple concerns regarding the appropriateness of the systems proposed.

Viability of a large-scale system is questionable

Attempting to resolve Bridger Pines' sewage disposal deficiencies and capacity shortfalls via a centralized system servicing the entire base area, as suggested in the MDEQ's 1974 *Summary of the Final Environmental Impact Statement for Bridger Pines Subdivision* and subsequent MDEQ communications, has yet to be viable solution after 34 years and still remains doubtful considering "the difficult sewage disposal problems in the area" and compounded by the extreme density proposed by prospective developers.

Three of the applicant's wastewater treatment proposals locate the facility on the site of an ancient landslide that sits on a bench above Bridger Creek (designated as "impaired" by the MT DEQ). We attach *Hydrogeology of Surficial, Unconsolidated Quaternary Aquifers, Maynard Creek Catchment, Bridger Range, Montana* authored by hydrologist John Whittingham for your review. An additional concern is that the area is seismically active.

There is very strong community opposition to creating a large capacity waste treatment system at the top of an important watershed. Bridger Creek provides water to many downstream residences, agricultural ventures, wetlands and a Montana Fish and Wildlife fishery.

The Preliminary Engineer's Report contains errors

According to the PER, the Bridger Pines Subdivision and the Bridger Bowl Base Area are located in the Brackett Creek/Flathead Creek drainage. In fact, the properties are

located within the Maynard Creek drainage located directly south of the incorrectly identified drainage. Maynard Creek is a tributary of Bridger Creek (6 code HUC1002000808), a subwatershed of the East Gallatin River (itself impaired), which runs throughout Bridger Canyon. Bridger Creek has been listed as impaired for the past twelve years. Local property owners have been concerned about the health of Maynard Creek as well. A study commissioned in 2001, *Biological Integrity of Bridger Creek Based on Periphyton and Macroinvertebrate Community Structure* by Confluence Consulting, Inc., recommended an "impaired" status designation for Maynard creek as well. In addition, significant jurisdictional and nonjurisdictional wetlands are located throughout the Maynard Creek catchment.

The PER that we received for review is missing critical documentation, including a site map that was to be forwarded to concerned government agencies. Given the incorrectly reported location of the catchment under review, we are concerned that the respective government agencies may have made determinations based on faulty information.

The mandated TMDL process is not yet complete

The mandated TMDL process for the Lower Gallatin TMDL planning area is in its early stages. It would seem prudent to have that program completed, including having a framework in place for water quality improvement, before subjecting the already impaired waterways to further development and change.

Economic and Governance Issues

The project benefits few landowners

The Bridger Pines subdivision was intended to comprise 58 properties with 30 homes and 28 condo units. The DEQ moratorium restricted building to the ten homes and ten condos already built at the time. Of the unbuilt properties, 17 of the 18 condos and 5 of the 20 home sites are owned by a single party.

The project primarily benefits second homes

According to Bridger Pines residents, currently 2 of the 10 single-family homes house year-round residents and 3 of the 10 condo residents reside full-time. Besides the party owning 22 of the 38 unbuilt sites, owners of other unbuilt properties also own multiple lots.

There are few plausible job or tax benefits

The district does not include and is not located near any commercial or industrial zoning other than Bridger Bowl. That, and its status as primarily a second home development, makes the project unlikely to contribute to direct employment, other than short term construction jobs. The only practical mechanism for indirect job creation is through Bridger Bowl. If all remaining units in the district were built, each household purchased two full season tickets, and revenue were fully devoted to employment, the annual wage stream so generated would reflect less than 5% of the \$750,000 TSEP funding limit.

While buildout of the district might contribute marginally to the area tax base, it would also add materially to infrastructure requirements (such as fire protection), which are difficult to serve in a remote area, so it is not apparent that there would be a net benefit to the community at large.

The original developers of the district, and subsequent homeowners, have failed to provide for an adequate system

Bridger Pines' district was formed in 2005, but their wastewater treatment system was installed in the 1970s with the provision that it be an interim system only. The developers were responsible for providing an adequate system to support the dense development (subdivided just prior to the creation of the Bridger Canyon zoning district, which would have restricted density). Instead, the initial system quickly failed, and responsible parties inadequately managed and financed the system. According to the PER, Bridger Pines HOA dues supporting the system are \$37.50 per month, which includes water and sewer. Rather than accumulating resources to fund improvements, the HOA has evidently waited for development in the base area to provide a solution. Incredibly, the DEQ allowed it to continue without enforcement.

Resolution of Bridger Pines issues is unduly complicated by linkages to larger projects outside the district

Unfortunately, the district's property does not have the required sewage disposal capacity for the density that was approved originally and the continued operation of the current inadequate system. Three of the proposed solutions (1, 2 & 3) would have the Bridger Pines County Water and Sewer District incorporate the land held by Bridger Canyon Partners (BCP), adjacent property owners who are attempting to develop the majority of the Bridger Bowl Base Area. Numerous past attempts to develop the base area have been unsuccessful for a variety of reasons, including heavy opposition from local property owners for lack of compliance with area zoning regulations, inability to design suitable wastewater treatment solutions, lack of adequate water, or abandonment by developers for undisclosed reasons. BCP has been working to develop the base area since 2005 and has been unsuccessful in gaining the necessary approvals.

The largest landowner in Bridger Pines has been closely associated with a group of developers who were thwarted in their attempts to develop the majority of the Bridger Bowl Base Area—land surrounding Bridger Pines—in the mid-1990's and is linked to the current developer, BCP. We are concerned that the link between Bridger Pines and BCP may be interfering with a speedy resolution to the existing wastewater problem.

The cost of system improvements has already been factored into land prices in the district

Over the years, properties in the district have changed hands, with new owners well aware of the speculative nature of their investment. Simple economics suggests that

buyers have benefited from prices discounted to reflect future wastewater treatment obligations, and do not need to benefit again from public funding.

Chronology of the formation of the Bridger Pines Water and Sewer District:

It has been difficult for members of the community (outside of Bridger Pines) to learn much about the district because there is no reference to it on the Gallatin County web site. This is our current understanding of the sequence of district events.

12/30/04 &
1/6/05

Over the Christmas and New Year holidays Gallatin County Commission published notification of January 11th hearing to consider the formation of the Bridger Pines Water and Sewer District. Notification was placed in the Bozeman Daily Chronicle.

Of the 58 properties located in the district, only 10 owners were confirmed as registered to vote in the district. Three (3) individuals signed the petition to create the district (one of whom was not a voter registered in the district).

5/3/05 The election to form the Bridger Pines Water and Sewer District was held. Landowners vote 32 to 2 in favor.

6/1/05 District is created and documents filed.

10/05 Deeds recorded for Bridger Canyon Partners' purchase of the majority of property in the Bridger Bowl Base Area.

4/1/08 Notification of the Bridger Pines Water and Sewer District meeting on April 2, 2008, to address the TSEP application, was published in the Bozeman Daily Chronicle.

4/2/08 Bridger Pines Water and Sewer District meeting was held to discuss TSEP grant application. In attendance were the district's board members, representatives from Bridger Canyon Partners (BCP), the project engineer, the grant writer, and several interested parties, including Deb Stratford, chairman of the zoning committee for the Bridger Canyon Property Owners Association.

After attending the hearing, the project engineer indicated to Ms. Stratford that he would be available to answer questions. The engineer made an appointment to meet with Ms. Stratford at his office. When she called to confirm the appointment, the engineer informed her that the President of the Bridger Pines Sewer and Water District requested he cancel the

appointment, citing it as an undue expense, and that a copy of the final PER would be made available when completed.

4/22/08

The President and two directors of the district, accompanied by a Bridger Pines property owner, make a presentation before the Bridger Canyon Property Owners' Association to provide information and solicit a letter of support. Upon request Bridger Pines President, Terry Abelin, provides a draft of the PER to the board, from which some of the information presented in this letter was derived.